

Fiscal Year 2022 Third Quarter Results

Earnings Presentation - February 1, 2022

Today's Speakers



Mario Giannini
Chief Executive Officer

Erik Hirsch
Vice Chairman

Brian Gildea
Global Head of Investments

Atul Varma
Chief Financial Officer

John Oh
Investor Relations Manager

Business Performance

- Assets under management and fee-earning assets under management were \$98 billion and \$46 billion, respectively, as of December 31, 2021, increases of 29% and 15%, respectively, compared to December 31, 2020
- Management and advisory fees increased 10% compared to the nine months ended December 31, 2020

Financial Results

USD in millions except per share amounts

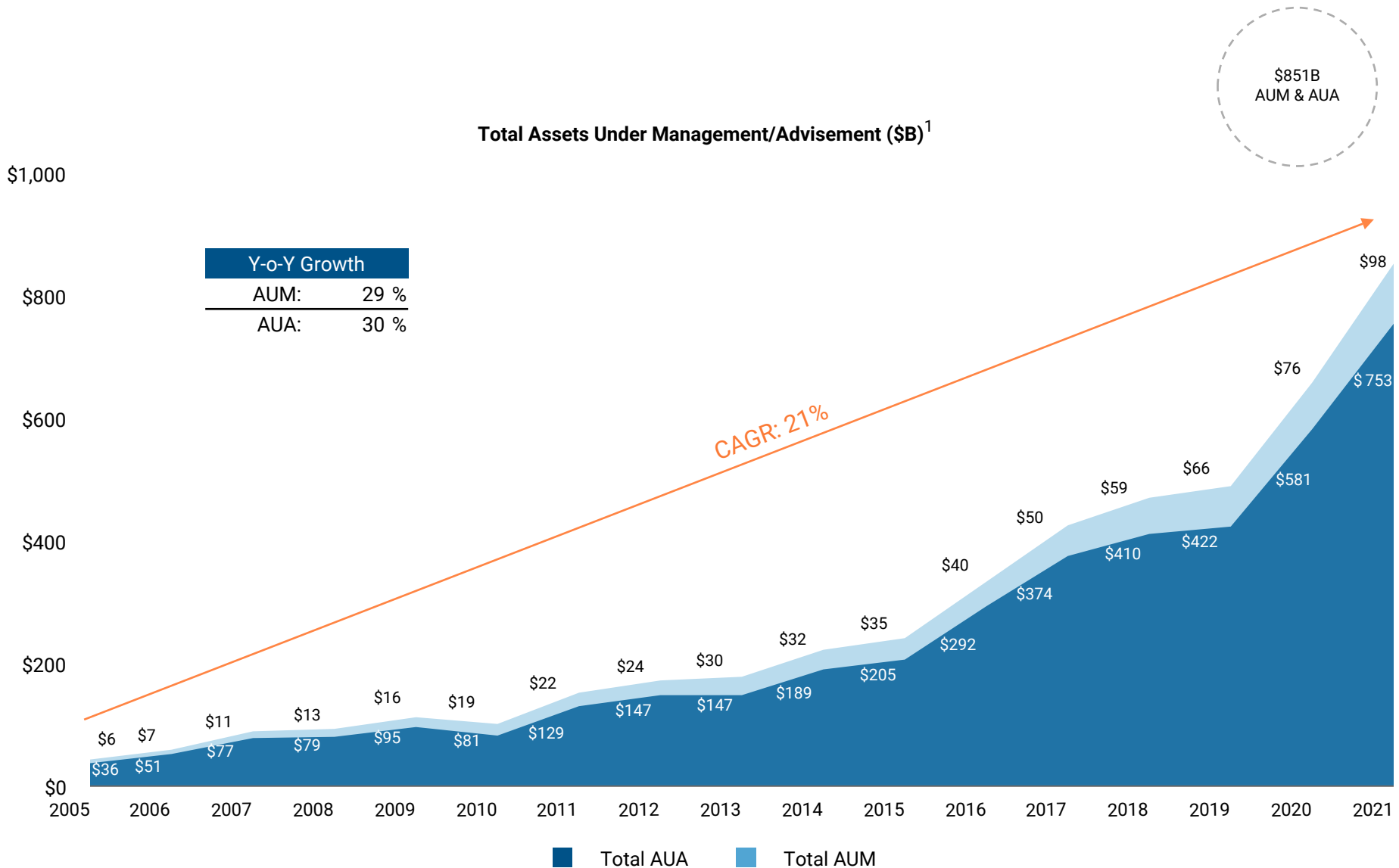
	Q3 FY22 QTD	Q3 FY22 YTD	vs. Q3 FY21 YTD
Management and advisory fees	\$79.8	\$229.7	10 %
GAAP net income	\$51.8	\$132.2	127 %
GAAP EPS	\$1.40	\$3.59	102 %
Adjusted net income ¹	\$68.2	\$187.9	97 %
Non-GAAP EPS ¹	\$1.27	\$3.50	97 %
Fee Related Earnings ¹	\$36.9	\$106.3	13 %
Adjusted EBITDA ¹	\$44.3	\$134.0	13 %

Dividend

- Declared a quarterly dividend of \$0.35 per share of Class A common stock to record holders at the close of business on March 15, 2022

¹Adjusted net income, non-GAAP earnings per share, Fee Related Earnings and Adjusted EBITDA are non-GAAP financial measures. For the reconciliations of our non-GAAP financial measures to the most directly comparable GAAP financial measures and for the reasons we believe the non-GAAP measures provide useful information, see pages 21 and 22 of this presentation.

Growing Asset Footprint & Influence

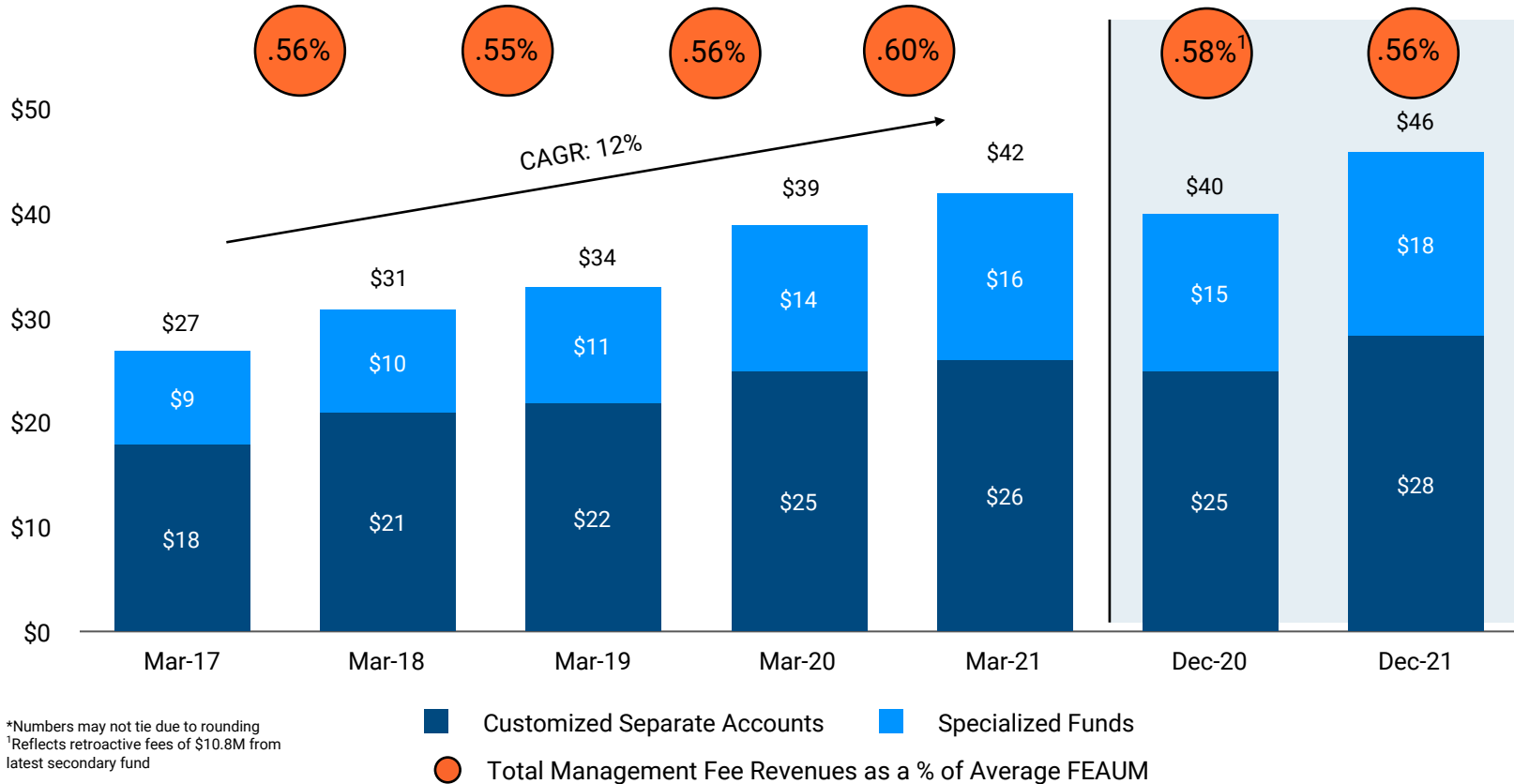


¹Data as of calendar year end 12/31 unless otherwise noted. Numbers may not tie due to rounding.

Fee-Earning AUM Driving Revenues

Fee-Earning AUM growth continues and annual fee rates are stable

Total Fee-Earning Assets Under Management (\$B)



Y-o-Y Drivers of Growth

Customized Separate Accounts:

- New client wins
- Client re-ups

Specialized Funds:

- Closed 5th secondary fund and 6th credit-oriented fund
- Fundraising 5th direct equity fund, 7th credit-oriented fund, 2nd impact fund, infrastructure fund, and evergreen funds

AUM

Customized Separate Accounts



Diverse mix of existing and prospective clients seeking to further or establish relationships with Hamilton Lane

- \$3.3B year-over-year increase in FEAUM
- +80% of our gross contributions during the last 12 months came from existing clients

Specialized Funds



Select funds in market:

- Direct equity fund
- Credit-oriented fund
- Evergreen fund
- Infrastructure fund
- Impact fund

- \$2.5B year-over-year increase in FEAUM
- Closings during Q3 FY22:
 - Direct equity fund: \$142M

AUA

Advisory Services



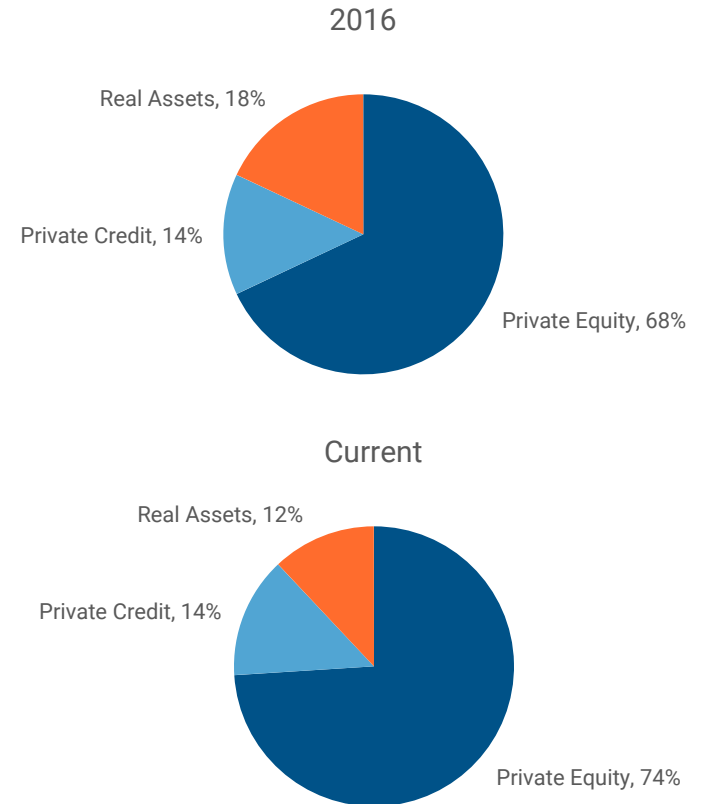
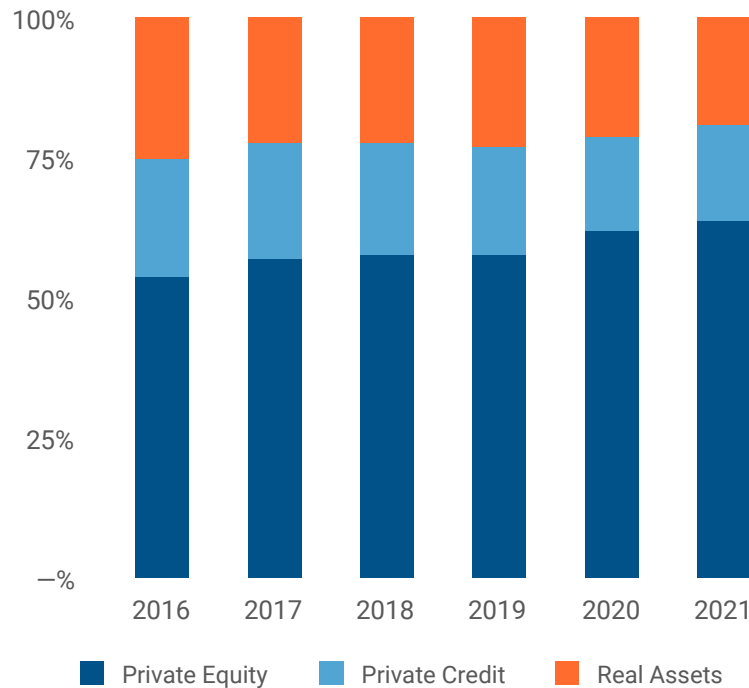
Typically larger clients with wide-ranging mandates which include technology-driven reporting, monitoring and analytics services and consulting services; opportunity set continues to be robust

- \$172B year-over-year increase in AUA

AUM Breakout

Trailing 3Y Private Markets Fundraising ¹

HLNE Discretionary AUM ^{2,3,4}



¹ Source: Cobalt, Pitchbook

² For purposes of this chart, HLNE Discretionary Assets Under Management ("AUM") includes all investments managed by Hamilton Lane for which Hamilton Lane retains a level of discretion for the investment decisions. AUM equals assets under management for active accounts. AUM is equal to market value plus unfunded commitments. AUM calculation does not include authorized to invest amounts ("ANI"). ANI can only be attributed to commingled fund-of-funds and separate accounts, cannot be attributed to underlying investments and therefore is not included in the total AUM calculation on this slide.

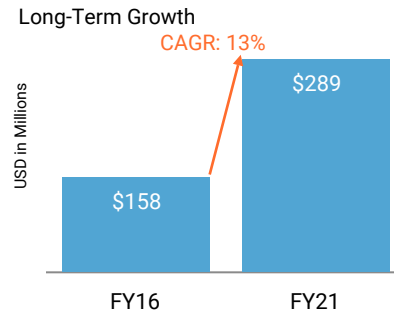
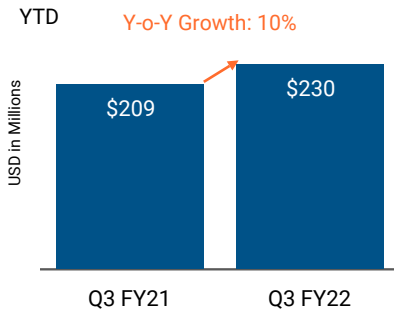
³ Private Equity includes all primary and secondary fund investments with an underlying investment strategy of corporate finance/buyout, growth equity, venture capital, special situations (equity), or secondaries, as well as direct investments with an underlying equity security. Private Credit includes all primary and secondary fund investments with an investment strategy of direct lending, distressed debt, mezzanine, special situations (debt), as well as direct investments with an underlying credit security. Real Assets includes all primary, secondary and direct investments with an investment strategy of infrastructure, natural resources, or real estate.

⁴ Current is as of 12/31/21

Financial Highlights

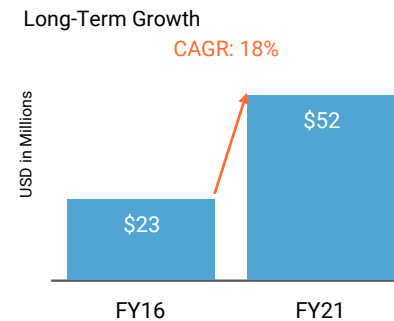
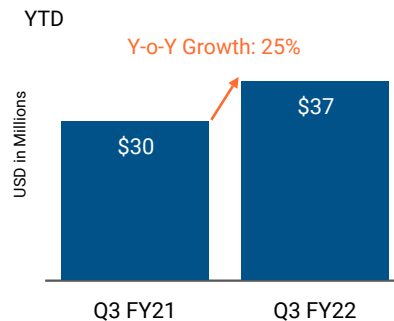
Strong revenue growth across management and advisory fees

Management and Advisory Fees



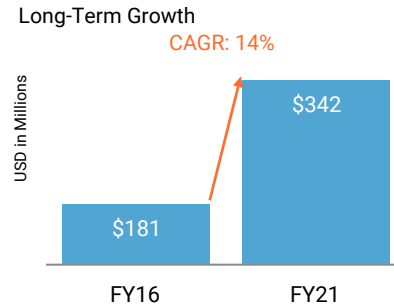
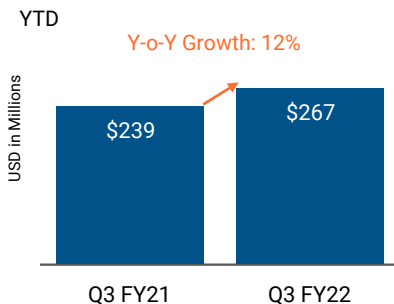
- Recurring management and advisory fees represented an average of just under 90% of total revenues over the past five fiscal years
- Y-o-Y increase of 10%
- \$0.2 million in retroactive fees from our latest direct equity fund in the quarter

Incentive Fees



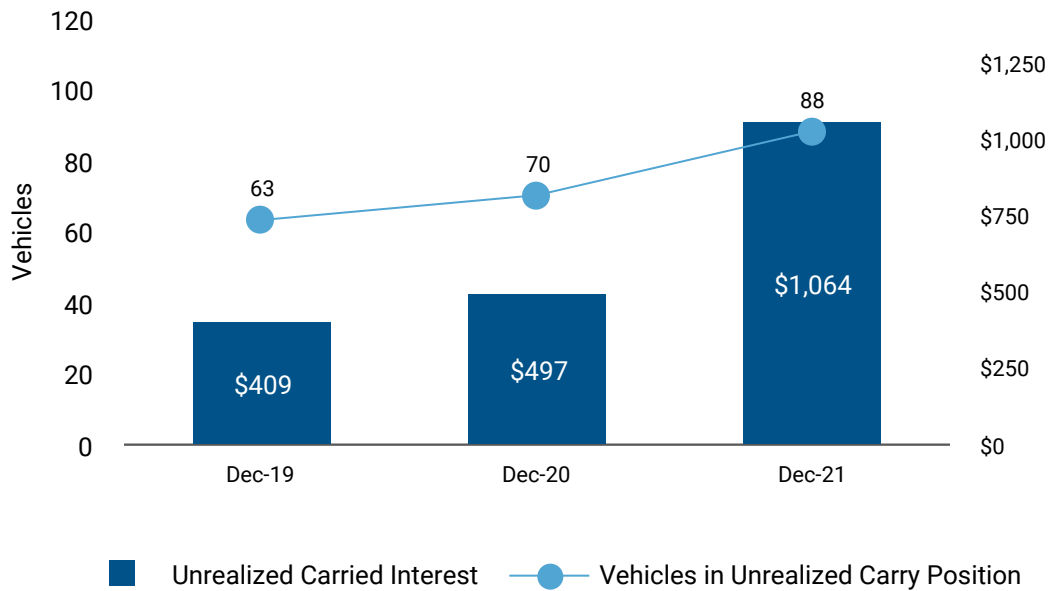
- Incentive fees derived from a highly diversified pool of assets and funds
- Unrealized carried interest of \$1,064M as of 12/31/21 diversified across 3,000+ assets and nearly 90 funds
- Timing of realizations unpredictable

Total Revenues

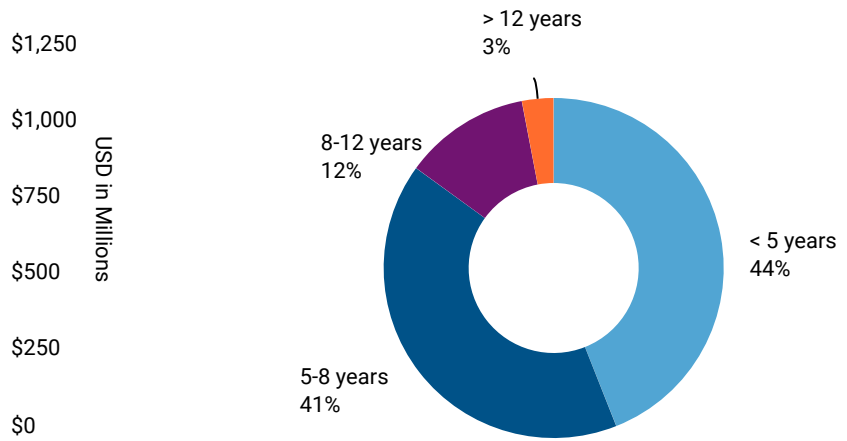


- Total revenues increased by 12%, driven by recurring management and advisory fee growth across core offerings

Unrealized Carried Interest

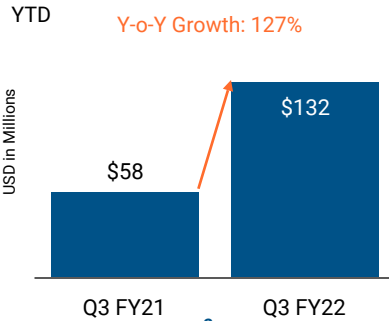


Unrealized Carry by Age

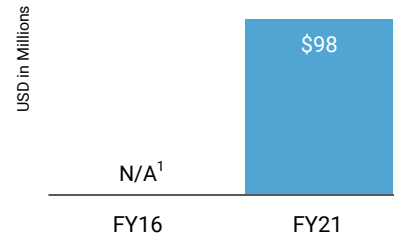


Profitability stable and growing

Net Income Attributable to HLI

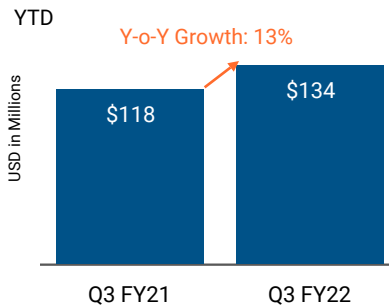


Long-Term Growth

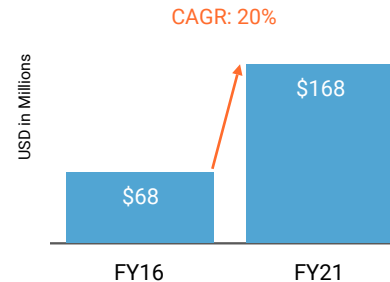


- \$52M in net income attributable to HLI for the quarter

Adjusted EBITDA²

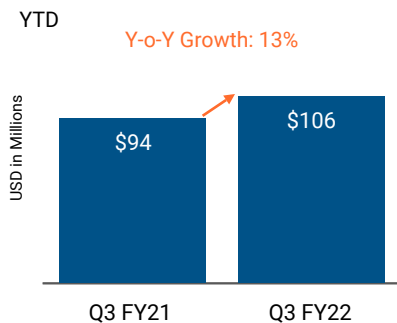


Long-Term Growth

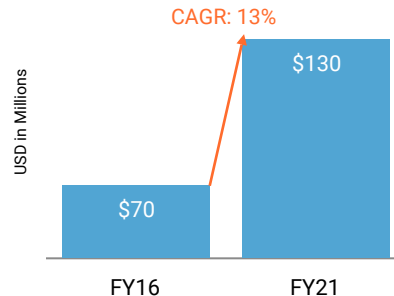


- Y-o-Y increase of 13% driven by growth in both management and advisory fees and incentive fees

Fee Related Earnings²



Long-Term Growth



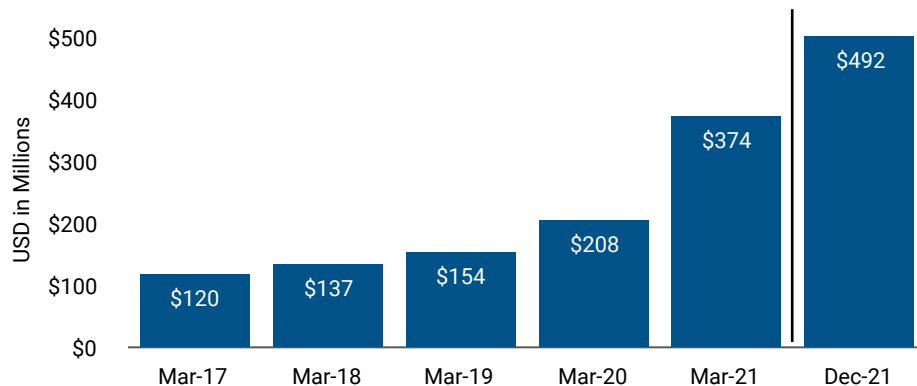
- Y-o-Y growth of 13%
- Long-term double digit growth in Fee Related Earnings

¹Prior to our IPO, HLI was a wholly-owned subsidiary of HLA with no operations or assets.

²Adjusted EBITDA and Fee Related Earnings are non-GAAP financial measures. For the reconciliations of our non-GAAP financial measures to the most directly comparable GAAP financial measures and for the reasons we believe the non-GAAP measures provide useful information, see pages 21 and 22 of this presentation.

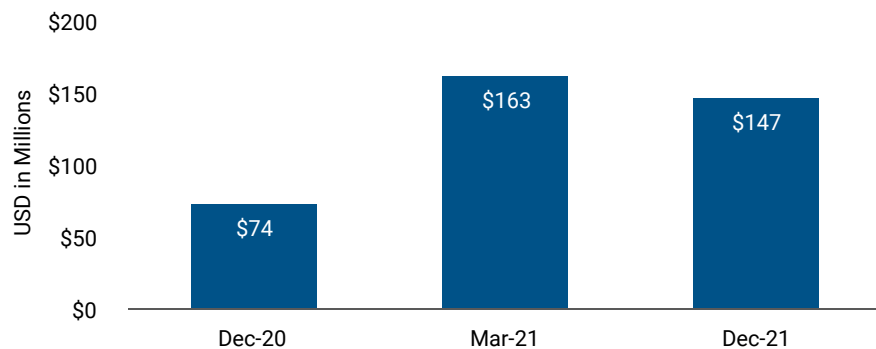
Strong balance sheet with investments in our own products and a modest amount of leverage...

Investments



- For 12/31/21, the total investment balance consisted of:
 - ~\$311M in equity method investments in our funds
 - ~\$180M in technology related and other investments

Leverage



- Modest leverage
- \$147M of debt as of 12/31/21

Appendix

Condensed Consolidated Statements of Income (Unaudited)

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2020	2021	% Change	2020	2021	% Change
<i>(Dollars in thousands except share and per share amounts)</i>						
Management and advisory fees	\$75,279	\$79,836	6 %	\$208,913	\$229,653	10 %
Incentive fees	8,680	10,490	21 %	12,512	34,217	173 %
Consolidated variable interest entities related:						
Incentive fees	624	1,378	121 %	17,333	3,149	(82)%
Total revenues	84,583	91,704	8 %	238,758	267,019	12 %
Compensation and benefits	28,536	34,004	19 %	93,914	94,028	0 %
General, administrative and other	13,328	16,332	23 %	34,978	48,742	39 %
Consolidated variable interest entities related:						
General, administrative and other	—	322	N/A	—	952	N/A
Total expenses	41,864	50,658	21 %	128,892	143,722	12 %
Equity in income of investees	12,138	12,924	6 %	10,938	60,181	450 %
Interest expense	(468)	(1,157)	147 %	(1,448)	(3,488)	141 %
Interest income	658	26	(96)%	775	488	(37)%
Non-operating income	6,229	37,043	495 %	6,830	65,500	859 %
Consolidated variable interest entities related:						
Equity in (loss) income of investees	(215)	(298)	39 %	(2,239)	170	N/A
Unrealized income	—	2,135	N/A	—	1,067	N/A
Interest expense	—	(4)	N/A	—	(4)	N/A
Total other income (expense)	18,342	50,669	176 %	14,856	123,914	734 %
Income before income taxes	61,061	91,715	50 %	124,722	247,211	98 %
Income tax expense	6,429	11,519	79 %	20,522	37,515	83 %
Net income	54,632	80,196	47 %	104,200	209,696	101 %
Less: (Loss) income attributable to non-controlling interests in general partnerships	(68)	(119)	75 %	(346)	167	N/A
Less: Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	21,497	26,181	22 %	46,283	76,849	66 %
Less: Income attributable to redeemable non-controlling interests in Hamilton Lane Alliance Holdings I, Inc.	—	2,285	N/A	—	519	N/A
Net income attributable to Hamilton Lane Incorporated	\$33,203	\$51,849	56 %	\$58,263	\$132,161	127 %
Basic earnings per share of Class A common stock	\$0.96	\$1.44	50 %	\$1.79	\$3.64	103 %
Diluted earnings per share of Class A Common stock	\$0.96	\$1.40	46 %	\$1.78	\$3.59	102 %
Weighted-average shares of Class A common stock outstanding - basic	34,478,437	36,902,741		32,567,754	36,375,797	
Weighted-average shares of Class A common stock outstanding - diluted	34,751,392	53,744,144		32,807,948	53,707,401	

Non-GAAP Financial Measures

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2020	2021	% Change	2020	2021	% Change
<i>(Dollars in thousands except share and per share amounts)</i>						
Adjusted EBITDA¹						
Management and advisory fees	\$75,279	\$79,836	6 %	\$208,913	\$229,653	10 %
Total expenses	41,864	50,658	21 %	128,892	143,722	12 %
Less:						
Incentive fee related compensation ²	(4,408)	(5,609)	27 %	(13,828)	(17,685)	28 %
SPAC related general, administrative and other expenses	—	(309)	N/A	—	(868)	N/A
Non-operating income related compensation	—	(1,790)	N/A	—	(1,790)	N/A
Management fee related expenses	37,456	42,950	15 %	115,064	123,379	7 %
Fee Related Earnings	\$37,823	\$36,886	(2)%	\$93,849	\$106,274	13 %
Fee Related Earnings Margin	50 %	46 %		45 %	46 %	
Incentive fees	9,304	11,868	28 %	29,845	37,366	25 %
Incentive fees attributable to non-controlling interests	(25)	(59)	136 %	(735)	(134)	(82)%
Incentive fee related compensation ²	(4,408)	(5,609)	27 %	(13,828)	(17,685)	28 %
Non-operating income related compensation	—	(1,790)	N/A	—	(1,790)	N/A
Interest income	658	26	(96)%	775	488	(37)%
Equity-based compensation	1,759	1,711	(3)%	5,310	5,706	7 %
Depreciation and amortization	1,005	1,292	29 %	2,982	3,744	26 %
Adjusted EBITDA	\$46,116	\$44,325	(4)%	\$118,198	\$133,969	13 %
Adjusted EBITDA Margin	55 %	48 %		50 %	50 %	
Non-GAAP earnings per share¹						
Net income attributable to Hamilton Lane Incorporated	\$33,203	\$51,849	56 %	\$58,263	\$132,161	127 %
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	21,497	26,181	22 %	46,283	76,849	66 %
Income tax expense	6,429	11,519	79 %	20,522	37,515	83 %
Adjusted pre-tax net income	61,129	89,549	46 %	125,068	246,525	97 %
Adjusted income taxes ³	(14,488)	(21,312)	47 %	(29,641)	(58,673)	98 %
Adjusted net income	\$46,641	\$68,237	46 %	\$95,427	\$187,852	97 %
Adjusted shares outstanding⁴	53,663,491	53,744,144		53,620,937	53,707,401	
Non-GAAP earnings per share	\$0.87	\$1.27	46 %	\$1.78	\$3.50	97 %

¹ Adjusted EBITDA and Non-GAAP earnings per share are non-GAAP financial measures. For the reconciliations of our non-GAAP financial measures to the most directly comparable GAAP financial measures, see page 21.

² Incentive fee related compensation includes incentive fee compensation expense and bonus related to carried interest that is classified as base compensation.

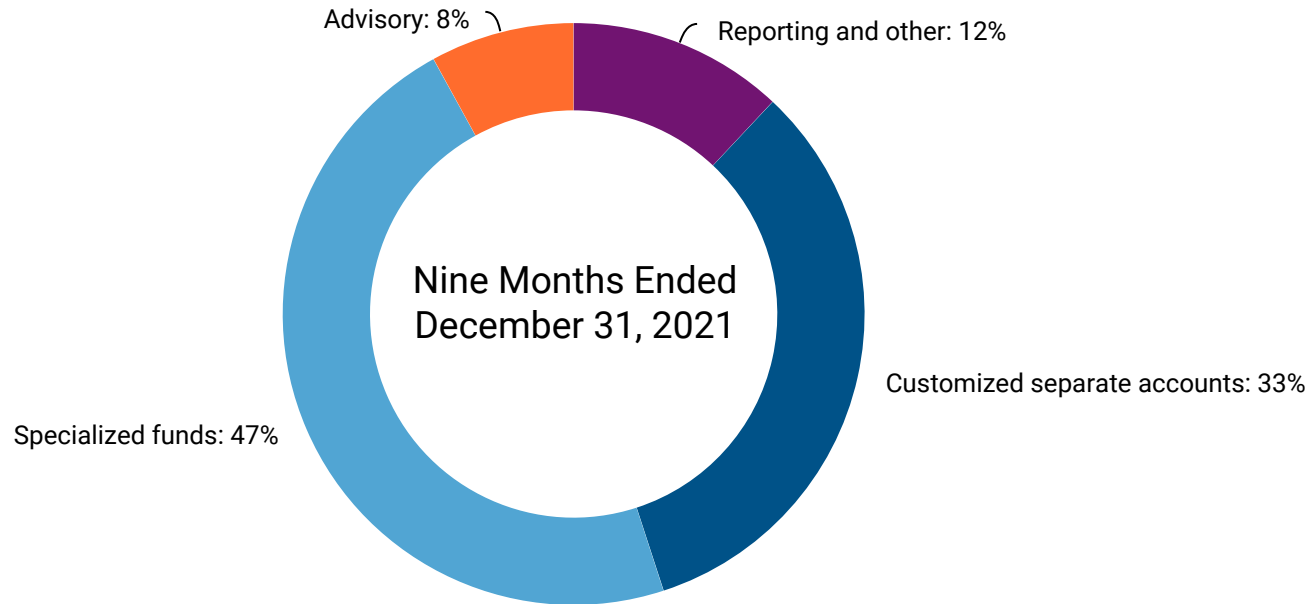
³ Represents corporate income taxes at our estimated statutory tax rate of 23.8% and 23.7% for the three and nine month periods ended December 31, 2021 and 2020, respectively, applied to adjusted pre-tax net income. The 23.8% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.8%. The 23.7% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.7%.

⁴ Assumes the full exchange of Class B and Class C units in HLA for Class A common stock of HLI pursuant to the exchange agreement.

Management and Advisory Fees

(Dollars in thousands)

	Three Months Ended December 31,			Nine Months Ended December 31,		
	2020	2021	% Change	2020	2021	% Change
Management and advisory fees						
Specialized funds	\$38,155	\$38,233	0 %	\$102,103	\$107,935	6 %
Customized separate accounts	23,285	25,982	12 %	70,600	75,416	7 %
Advisory	6,618	6,119	(8)%	19,928	18,781	(6)%
Reporting and other	2,673	5,992	124 %	8,093	16,983	110 %
Distribution management	2,827	3,170	12 %	5,291	9,313	76 %
Fund reimbursement revenue	1,721	340	(80)%	2,898	1,225	(58)%
Total management and advisory fees	\$75,279	\$79,836	6 %	\$208,913	\$229,653	10 %



Incentive Fees

(Dollars in thousands)	Three Months Ended December 31,			Nine Months Ended December 31,		
	2020	2021	% Change	2020	2021	% Change
Incentive fees						
Secondary Fund II	\$638	\$209	(67)%	\$919	\$239	(74)%
Co-investment Fund II	624	1,378	121 %	17,333	3,149	(82)%
Other specialized funds	5,540	6,556	18 %	8,488	23,664	179 %
Customized separate accounts	2,502	3,725	49 %	3,105	10,314	232 %
Incentive fees	\$9,304	\$11,868	28 %	\$29,845	\$37,366	25 %

	As of				
	December 31, 2020	September 30, 2021	December 31, 2021	YoY Change %	QoQ Change %
Allocated carried interest					
Secondary Fund II	\$1,907	\$821	\$638	(67)%	(22)%
Secondary Fund III	30,204	31,779	32,839	9 %	3 %
Secondary Fund IV	69,908	138,583	150,561	115 %	9 %
Secondary Fund V	15,961	80,654	115,378	623 %	43 %
Co-investment Fund II	21,064	22,033	18,352	(13)%	(17)%
Co-investment Fund III	68,839	120,189	108,072	57 %	(10)%
Co-investment Fund IV	25,437	108,213	131,001	415 %	21 %
Other specialized funds	98,933	170,556	172,382	74 %	1 %
Customized separate accounts	165,130	316,814	335,207	103 %	6 %
Total allocated carried interest	\$497,383	\$989,642	\$1,064,430	114 %	8 %

Assets Under Management

(Dollars in millions)

	December 31, 2020	September 30, 2021	December 31, 2021	YoY Change %	QoQ Change %
Assets under management / advisement					
Assets under management	\$75,777	\$96,042	\$98,131	29 %	2 %
Assets under advisement	580,984	709,129	752,917	30 %	6 %
Total assets under management / advisement	\$656,761	\$805,171	\$851,048	30 %	6 %
Fee-earning assets under management					
Customized separate accounts					
Balance, beginning of period	\$24,588	\$26,377	\$27,390	11 %	4 %
Contributions	1,054	1,886	1,540	46 %	(18)%
Distributions	(759)	(1,027)	(719)	(5)%	(30)%
Foreign exchange, market value and other	143	154	153	7 %	(1)%
Balance, end of period	\$25,026	\$27,390	\$28,364	13 %	4 %
Specialized funds					
Balance, beginning of period	\$14,639	\$16,384	\$17,243	18 %	5 %
Contributions	916	1,070	770	(16)%	(28)%
Distributions	(438)	(270)	(384)	(12)%	42 %
Foreign exchange, market value and other	50	59	76	52 %	29 %
Balance, end of period	\$15,167	\$17,243	\$17,705	17 %	3 %
Total					
Balance, beginning of period	\$39,227	\$42,761	\$44,633	14 %	4 %
Contributions	1,970	2,956	2,310	17 %	(22)%
Distributions	(1,197)	(1,297)	(1,103)	(8)%	(15)%
Foreign exchange, market value and other	193	213	229	19 %	8 %
Balance, end of period	\$40,193	\$44,633	\$46,069	15 %	3 %

Condensed Consolidated Balance Sheets (Unaudited)

(Dollars in thousands except share and per share amounts)

	March 31, 2021	December 31, 2021
Assets		
Cash and cash equivalents	\$87,025	\$78,838
Restricted cash	3,041	3,315
Fees receivable	29,202	47,085
Prepaid expenses	6,143	5,912
Due from related parties	2,495	2,016
Furniture, fixtures and equipment, net	23,308	29,229
Lease right-of-use assets, net	64,384	67,023
Investments	368,836	483,320
Deferred income taxes	251,949	249,004
Other assets	17,821	28,553
Assets of consolidated variable interest entities:		
Cash and cash equivalents	311	187
Investments held in trust	276,003	276,009
Investments	4,787	8,294
Other assets	1,214	668
Total Assets	\$1,136,519	\$1,279,453
Liabilities, redeemable non-controlling interests and equity		
Accounts payable	\$2,173	\$2,190
Accrued compensation and benefits	29,415	48,282
Accrued members' distributions	16,877	11,769
Accrued dividend	11,201	12,916
Debt	163,175	146,767
Payable to related parties pursuant to tax receivable agreement	194,764	187,252
Lease liabilities	75,281	83,720
Other liabilities (includes \$17,381 and \$16,477 at fair value)	36,122	31,560
Liabilities of consolidated variable interest entities:		
Other liabilities	17,310	16,122
Total liabilities	546,318	540,578
Redeemable non-controlling interests	276,000	276,000
Total equity	314,201	462,875
Total liabilities, redeemable non-controlling interests and equity	\$1,136,519	\$1,279,453

Condensed Consolidated Statements of Cash Flows (Unaudited)

(Dollars in thousands)

	Nine Months Ended December 31,	
	2020	2021
Operating activities		
Net income	\$104,200	\$209,696
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,982	3,744
Change in deferred income taxes	13,382	19,941
Change in payable to related parties pursuant to tax receivable agreement	(73)	(6,202)
Equity-based compensation	5,310	5,706
Equity in income of investees	(10,938)	(60,181)
Gain on sale of investment	(6,229)	(11,936)
Fair value adjustment of other investments	—	(47,774)
Proceeds received from investments	704	38,945
Non-cash lease expense	4,352	7,210
Other	(105)	43
Changes in operating assets and liabilities	31,967	(5,868)
Consolidated variable interest entities related	2,239	(812)
Net cash provided by operating activities	\$147,791	\$152,512
Investing activities		
Purchase of furniture, fixtures and equipment	(8,558)	(7,788)
Purchase of other investments	(500)	(18,798)
Cash paid for acquisition of business	—	(10,096)
Cash paid for purchase of intangible assets	(1,000)	—
Proceeds from sale of investment valued under the measurement alternative	—	12,623
Distribution from investment valued under the measurement alternative	—	12,739
Distributions received from investments	19,764	12,088
Contributions to investments	(57,119)	(56,432)
Net cash used in investing activities	\$(47,413)	\$(55,664)
Financing activities		
Proceeds from offerings	354,629	73,833
Purchase of membership interests	(354,629)	(73,833)
Repayments of debt	(937)	(1,382)
Repayment of revolver	—	(15,000)
Repurchase of Class B common stock	(4)	(1)
Repurchase of Class A shares for employee tax withholding	(36)	(605)
Proceeds received from issuance of shares under Employee Share Purchase Plan	1,077	1,382
Payments to related parties, pursuant to tax receivable agreement	(36)	(15,584)
Dividends paid	(28,902)	(36,714)
Other	—	(75)
Members' distributions paid	(26,522)	(37,469)
Consolidated variable interest entities related	(2,421)	563
Net cash used in financing activities	\$(57,781)	\$(104,885)
Effect of exchange rate changes on cash and cash equivalents	130	—
Increase (decrease) in cash, cash equivalents, and restricted cash	42,727	(8,037)
Cash, cash equivalents, and restricted cash at beginning of the period	53,210	90,377
Cash, cash equivalents, and restricted cash at end of the period	\$95,937	\$82,340

Non-GAAP Reconciliation

Reconciliation from Net Income

(Dollars in thousands except share and per share amounts)

	Year Ended March 31,		Three Months Ended December 31,		Nine Months Ended December 31,	
	2016	2021	2020	2021	2020	2021
Net income attributable to Hamilton Lane Incorporated	\$0	\$98,022	\$33,203	\$51,849	\$58,263	\$132,161
(Loss) income attributable to non-controlling interests in general partnerships	(1,255)	(250)	(68)	(119)	(346)	167
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.	57,107	69,720	21,497	26,181	46,283	76,849
Income attributable to non-controlling interests in Hamilton Lane Alliance Holdings I, Inc.	—	1,293	—	2,285	—	519
Incentive fees	(23,167)	(52,191)	(9,304)	(11,868)	(29,845)	(37,366)
Incentive fee related compensation ¹	31,714	24,438	4,408	5,609	13,828	17,685
SPAC related compensation	—	1,686	—	—	—	—
SPAC related general, administrative and other expenses	—	378	—	309	—	868
Non-operating income related compensation	—	—	—	1,790	—	1,790
Interest income	(194)	(1,676)	(658)	(26)	(775)	(488)
Interest expense	12,641	2,503	468	1,161	1,448	3,492
Income tax expense	869	24,417	6,429	11,519	20,522	37,515
Equity in income of investees	(1,518)	(30,266)	(11,923)	(12,626)	(8,699)	(60,351)
Non-operating income	(5,816)	(8,035)	(6,229)	(39,178)	(6,830)	(66,567)
Fee Related Earnings	\$70,381	\$130,039	\$37,823	\$36,886	\$93,849	\$106,274
Depreciation and amortization	2,027	4,134	1,005	1,292	2,982	3,744
Equity-based compensation	3,730	7,079	1,759	1,711	5,310	5,706
Incentive fees	23,167	52,191	9,304	11,868	29,845	37,366
Incentive fees attributable to non-controlling interests	—	(756)	(25)	(59)	(735)	(134)
Incentive fee related compensation ¹	(31,714)	(24,438)	(4,408)	(5,609)	(13,828)	(17,685)
SPAC related compensation	—	(1,686)	—	—	—	—
Non-operating income related compensation	—	—	—	(1,790)	—	(1,790)
Interest income	194	1,676	658	26	775	488
Adjusted EBITDA	\$ 67,785	\$ 168,239	\$ 46,116	\$ 44,325	\$ 118,198	\$ 133,969
Non-GAAP earnings per share reconciliation						
Net income attributable to Hamilton Lane Incorporated			\$33,203	\$51,849	\$58,263	\$132,161
Income attributable to non-controlling interests in Hamilton Lane Advisors, L.L.C.			21,497	26,181	46,283	76,849
Income tax expense			6,429	11,519	20,522	37,515
Adjusted pre-tax net income			61,129	89,549	125,068	246,525
Adjusted income taxes ²			(14,488)	(21,312)	(29,641)	(58,673)
Adjusted net income			\$46,641	\$68,237	\$95,427	\$187,852
Weighted-average shares of Class A common stock outstanding - diluted			34,751,392	53,744,144	32,807,948	53,707,401
Exchange of Class B and Class C units in HLA ³			18,912,099	—	20,812,989	—
Adjusted shares outstanding			53,663,491	53,744,144	53,620,937	53,707,401
Non-GAAP earnings per share			\$0.87	\$1.27	\$1.78	\$3.50

¹ Incentive fee related compensation includes incentive fee compensation expense and bonus related to carried interest that is classified as base compensation.

² Represents corporate income taxes at our estimated statutory tax rate of 23.8% and 23.7% for the three and nine month periods ended December 31, 2021 and 2020, respectively, applied to adjusted pre-tax net income. The 23.8% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.8%. The 23.7% is based on a federal tax statutory rate of 21.0% and a combined state income tax rate net of federal benefits of 2.7%.

³ Assumes the full exchange of Class B and Class C units in HLA for Class A common stock of HLI pursuant to the exchange agreement.

Adjusted EBITDA is an internal measure of profitability. We believe Adjusted EBITDA is useful to investors because it enables them to better evaluate the performance of our core business across reporting periods. Adjusted EBITDA represents net income excluding (a) interest expense on our outstanding debt, (b) income tax expense, (c) depreciation and amortization expense, (d) equity-based compensation expense, (e) other non-operating income and (f) certain other significant items that we believe are not indicative of our core performance.

Fee Related Earnings ("FRE") is used to highlight earnings from recurring management fees. FRE represents net income excluding (a) incentive fees and related compensation, (b) interest income and expense, (c) income tax expense, (d) equity in income of investees, (e) other non-operating income and (f) certain other significant items that we believe are not indicative of our core performance. We believe FRE is useful to investors because it provides additional insight into the operating profitability of our business. FRE is presented before income taxes.

Non-GAAP earnings per share measures our per-share earnings excluding certain significant items that we believe are not indicative of our core performance and assuming all Class B and Class C units in HLA were exchanged for Class A common stock in HLI. Non-GAAP earnings per share is calculated as adjusted net income divided by adjusted shares outstanding. **Adjusted net income** is income before taxes fully taxed at our estimated statutory tax rate and excludes any impact of changes in carrying amount of our redeemable non-controlling interest. We believe adjusted net income and non-GAAP earnings per share are useful to investors because they enable them to better evaluate total and per-share operating performance across reporting periods.

Our **assets under management ("AUM")**, as presented in these materials, comprise the assets associated with our customized separate accounts and specialized funds. AUM does not include the assets associated with our distribution management services. We classify assets as AUM if we have full discretion over the investment decisions in an account. We calculate our AUM as the sum of:

- (1) the net asset value of our clients' and funds' underlying investments;
- (2) the unfunded commitments to our clients' and funds' underlying investments; and
- (3) the amounts authorized for us to invest on behalf of our clients and fund investors but not committed to an underlying investment.

Management fee revenue is based on a variety of factors and is not linearly correlated with AUM. However, we believe AUM is a useful metric for assessing the relative size and scope of our asset management business.

Our **assets under advisement ("AUA")** comprise assets from clients for which we do not have full discretion to make investments in their account. We generally earn revenue on a fixed fee basis on our AUA client accounts for services including asset allocation, strategic planning, development of investment policies and guidelines, screening and recommending investments, legal negotiations, monitoring and reporting on investments and investment manager review and due diligence. Advisory fees vary by client based on the amount of annual commitments, services provided and other factors. Since we earn annual fixed fees from the majority of our AUA clients, the growth in AUA from existing accounts does not have a material impact on our revenues. However, we view AUA growth as a meaningful benefit in terms of the amount of data we are able to collect and the degree of influence we have with fund managers.

Fee-earning assets under management ("Fee-earning AUM" or "FEAUM") is a metric we use to measure the assets from which we earn management fees. Our fee-earning AUM comprise assets in our customized separate accounts and specialized funds from which we derive management fees. We classify customized separate account revenue as management fees if the client is charged an asset-based fee, which includes the majority of our discretionary AUM accounts but also includes certain non-discretionary AUA accounts. Our fee-earning AUM is equal to the amount of capital commitments, net invested capital and net asset value of our customized separate accounts and specialized funds depending on the fee terms. Substantially all of our customized separate accounts and specialized funds earn fees based on commitments or net invested capital, which are not affected by market appreciation or depreciation. Therefore, revenues and fee-earning AUM are not significantly affected by changes in market value. Our calculations of fee-earning AUM may differ from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers. Our definition of fee-earning AUM is not based on any definition that is set forth in the agreements governing the customized separate accounts or specialized funds that we manage.

Hamilton Lane Incorporated (or "HLI"), a Delaware corporation, was formed for the purpose of completing an initial public offering ("IPO") and related transactions in order to carry on the business of Hamilton Lane Advisors, L.L.C. ("HLA") as a publicly-traded entity. As of the closing of our IPO on March 6, 2017, HLI became the sole managing member of HLA.

Some of the statements in this presentation may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Words such as "will", "expect", "believe", "estimate", "continue", "anticipate", "intend", "plan", and similar expressions are intended to identify these forward-looking statements. Forward-looking statements discuss management's current expectations and projections relating to our financial position, results of operations, plans, objectives, future performance and business. All forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that may cause actual results to be materially different, including risks relating to: our ability to manage growth, fund performance, changes in our regulatory environment and tax status; market conditions generally; our ability to access suitable investment opportunities for our clients; our ability to maintain our fee structure; our ability to attract and retain key employees; our ability to manage our obligations under our debt agreements; defaults by clients and third-party investors on their obligations to fund commitments; our ability to comply with investment guidelines set by our clients; our ability to successfully integrate acquired businesses with ours; our ability to manage risks associated with pursuing new lines of business or entering into strategic partnerships; our ability to manage the effects of events outside of our control; and our ability to receive distributions from Hamilton Lane Advisors, L.L.C. to fund our payment of dividends, taxes and other expenses.

The foregoing list of factors is not exhaustive. For more information regarding these risks and uncertainties as well as additional risks we face, you should refer to the "Risk Factors" detailed in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended March 31, 2021, as amended, and in our subsequent reports filed from time to time with the Securities and Exchange Commission. The forward-looking statements included in this presentation are made only as of the date presented. We undertake no obligation to update or revise any forward-looking statement as a result of new information or future events, except as otherwise required by law.

Values appearing in this presentation that are whole numbers are rounded approximations.

As of February 1, 2022